

EXHIBIT _____
DATE _____
HB _____

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January 9, 2009

Montana State House of Representatives
Appropriations Committee Chairman and Members
State Capitol
Helena, MT 59601

RE: BILL NO. HB123

Dear Representative Sesso and Members of the House Appropriations Committee:

I am writing on behalf of the Advisory Board for the Montana Manufacturing Extension Center (MMEC) to urge you to continue support for the MMEC. We also urge you to consider an increased appropriation for the important work of this hands-on, professional extension service for Montana's manufacturers. The manufacturing industry in our state generates nearly \$10 billion in sales annually and provides good paying jobs.

Because most of our manufacturers are very small (84 percent of those with employees have fewer than 20 workers), this kind of technical, hands-on assistance is not available without this program.

As you know, the MMEC program is currently funded at \$200,000 annually, the same funding level since its inception in 1996. Currently, the state receives an excellent rate of return from direct MMEC services, over \$1 million back into the treasury annually from that investment, according to data from the UM Bureau of Business and Economic Research. Your support for this program also leverages matching dollars from a federal NIST Manufacturing Extension Partnership grant each biennium.

Already, MMEC has provided assistance to 600 firms ranging from value-added agriculture and job shops to advanced technology and alternative energy companies in 48 of Montana's 56 counties. Center expertise helps us adopt appropriate advanced manufacturing technology and better business practices and provides training, decision support and implementation guidance. Increasing the funding for MMEC would open additional valuable opportunities to assist this important basic industry in areas like energy efficiencies, new product expansion and marketing, and workforce development to help us grow.

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Impacts reported by MMEC clients within the last two years from direct services by the Center from an independent survey:

- \$61.2 million in increased and retained sales,
- \$13.5 million in capital and workforce investments and
- 448 new and retained jobs.

MMEC's 23-member Advisory Board has 12 manufacturing seats. We volunteer our time to serve on the board because we know how important MMEC is to economic development in Montana. Please do all you can to continue supporting MMEC -- good for business and a sound investment in our communities.

Sincerely,



Neal Blossom
MMEC Advisory Board Chair
January 9, 2009